

House File 2451 - Introduced

HOUSE FILE _____
BY D. OLSON and TJEPKES

(COMPANION TO LSB 6078SS
BY OLIVE)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the operation of county hospitals and the
2 duties and powers of county hospital trustees.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6078HH 82
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1 1 Section 1. Section 249J.24, subsection 6, paragraph b,
1 2 Code 2007, is amended to read as follows:
1 3 b. The board of trustees of the acute care teaching
1 4 hospital identified in this subsection and the department
1 5 shall execute an agreement under chapter 28E by July 1, 2005,
1 6 and annually by July 1, thereafter, to specify the
1 7 requirements relative to distribution of the proceeds and the
1 8 distribution of moneys to the hospital from the IowaCare
1 9 account. The agreement shall include provisions relating to
1 10 exceptions to the deadline for submission of clean claims as
1 11 required pursuant to section 249J.7 and provisions relating to
1 12 data reporting requirements regarding the expansion
1 13 population. The agreement may also include a provision
1 14 allowing such hospital to limit access to such hospital by
1 15 expansion population members based on residency of the member,
1 16 if such provision reflects the policy of such hospital
1 17 regarding indigent patients existing on April 1, 2005, as
1 18 adopted by its board of hospital trustees ~~pursuant to section~~
1 19 ~~347.14, subsection 4.~~
1 20 Sec. 2. Section 331.321, subsection 1, paragraph p, Code
1 21 2007, is amended to read as follows:
1 22 p. A temporary board of hospital trustees in accordance
1 23 with sections 347.9, 347.9A, and 347.10 if a proposition to
1 24 establish a county hospital has been approved by the voters.
1 25 Sec. 3. Section 347.7, Code 2007, is amended to read as
1 26 follows:
1 27 347.7 TAX LEVIES.
1 28 1. a. If a county hospital is established, the board of
1 29 supervisors, at the time of levying ordinary taxes, shall levy
1 30 a tax at the rate voted not to exceed fifty-four cents per
1 31 thousand dollars of assessed value in any one year for the
1 32 erection and equipment of the hospital, and also a tax not to
1 33 exceed twenty-seven cents per thousand dollars of value for
1 34 the improvement, maintenance, and replacements of the
1 35 hospital, as certified by the board of hospital trustees.
2 1 However, in counties having a population of two hundred
2 2 twenty-five thousand or over, the levy for taxes payable in
2 3 the fiscal year beginning July 1, 2001, and for subsequent
2 4 fiscal years, for improvements and maintenance of the hospital
2 5 shall not exceed two dollars and five cents per thousand
2 6 dollars of assessed value in any one year.
2 7 b. The proceeds of the taxes constitute the county public
2 8 hospital fund ~~and the~~. The fund is subject to review by the
2 9 board of supervisors in counties having a population of two
2 10 hundred twenty-five thousand or over. However, the board of
2 11 trustees of a county hospital, where funds are available in
2 12 the county public hospital fund of the county which are
2 13 unappropriated, may use the unappropriated funds for erecting
2 14 and equipping hospital buildings and additions to the hospital
2 15 buildings without authority from the voters of the county.
2 16 2. No A levy shall not be made for the improvement,
2 17 maintenance, or replacements of the hospital until the

2 18 hospital has been constructed, staffed, and receiving
2 19 patients. If revenue bonds are issued and outstanding under
2 20 section 331.461, subsection 2, paragraph "d", the board may
2 21 levy a tax to pay operating and maintenance expenses in lieu
2 22 of the authority otherwise contained in this section not to
2 23 exceed twenty-seven cents per thousand dollars of assessed
2 24 value or not to exceed one dollar and twenty-one and one-half
2 25 cents per thousand dollars of assessed value for improvements
2 26 and maintenance of the hospital in counties having a
2 27 population of two hundred twenty-five thousand or over.
2 28 3. In addition to levies otherwise authorized by this
2 29 section, the board of supervisors may levy a tax at the rate,
2 30 not to exceed twenty-seven cents per thousand dollars of
2 31 assessed value, necessary to raise the amount budgeted by the
2 32 board of hospital trustees for support of ambulance service as
2 33 authorized in section 347.14, subsection ~~14~~ 9.

2 34 4. a. The tax levy authorized by this section for
2 35 operation and maintenance of the hospital may be available in
3 1 whole or in part to any county with or without a county
3 2 hospital organized under this chapter, to be used to enhance
3 3 rural health services in the county. However, the tax levied
3 4 may be expended for enhancement of rural health care services
3 5 only following a local planning process. The Iowa department
3 6 of public health shall establish guidelines to be followed by
3 7 counties in implementing the local planning process which
3 8 shall require legal notice, public hearings, and a referendum
3 9 in accordance with this ~~section and section 347.30~~ subsection
3 10 prior to the authorization of any new levy or a change in the
3 11 use of a levy. The notice shall describe the new levy or the
3 12 change in the use of the levy, indicate the date and location
3 13 of the hearing, and shall be published at least once each week
3 14 for two consecutive weeks in a newspaper having general
3 15 circulation in the county. The hearing shall not take place
3 16 prior to two weeks after the second publication.

3 17 b. Enhancement of rural health services for which the tax
3 18 levy ~~pursuant to this section~~ may be used includes but is not
3 19 limited to emergency medical services, health care services
3 20 shared with other hospitals, rural health clinics, and support
3 21 for rural health care practitioners and public health
3 22 services.

3 23 c. When alternative use of funds from the tax levy
3 24 ~~authorized by this section~~ is proposed in a county with a
3 25 county hospital organized under this chapter, use of the funds
3 26 shall be agreed upon by the elected board of trustees of the
3 27 county hospital. When alternative use of funds from the tax
3 28 levy ~~authorized by this section~~ is proposed in a county
3 29 without a county hospital organized under this chapter, use of
3 30 the funds shall be agreed upon by the board of supervisors and
3 31 any publicly elected hospital board of trustees within the
3 32 county prior to submission of the question to the voters.

3 33 d. Moneys raised from a tax levied in accordance with this
3 34 ~~paragraph subsection for the purpose of enhancing rural health~~
3 35 ~~services in a county without a county hospital shall be~~
4 1 designated and administered by the board of supervisors in a
4 2 manner consistent with the purposes of the levy.

4 3 Sec. 4. Section 347.9, Code 2007, is amended to read as
4 4 follows:

4 5 347.9 TRUSTEES == APPOINTMENT == TERMS OF OFFICE.

4 6 When it has been determined by the voters of a county to
4 7 establish a county public hospital, the board shall appoint
4 8 seven trustees chosen from among the resident citizens of the
4 9 county with reference to their fitness for office, and not
4 10 more than four of the trustees shall be residents of the city
4 11 at which the hospital is located. The trustees shall hold
4 12 office until the following general election, at which time
4 13 their successors shall be elected, two for a term of two
4 14 years, two for four years, and three for six years, and they
4 15 shall determine by lot their respective terms, and thereafter
4 16 their successors shall be elected for regular terms of six
4 17 years each. ~~A person or spouse of a person with medical or~~
~~4 18 special staff privileges in the county public hospital or who~~
~~4 19 receives direct or indirect compensation in an amount greater~~
~~4 20 than one thousand five hundred dollars in a calendar year from~~
~~4 21 the county public hospital or direct or indirect compensation~~
~~4 22 in an amount greater than one thousand five hundred dollars in~~
~~4 23 a calendar year from a person contracting for services with~~
~~4 24 the hospital shall not be eligible to serve as a trustee for~~
~~4 25 that county public hospital. However, this section does not~~
~~4 26 prohibit a licensed health care practitioner from serving as a~~
~~4 27 hospital trustee if the practitioner's sole use of the county~~
~~4 28 hospital is to provide health care service to an individual~~

~~4 29 with mental retardation as defined in section 222.2.~~
4 30 Sec. 5. NEW SECTION. 347.9A TRUSTEES == CONFLICT OF
4 31 INTEREST.
4 32 1. A person or spouse of a person with medical or special
4 33 staff privileges in the county public hospital or who receives
4 34 direct compensation in an amount greater than one thousand
4 35 five hundred dollars in a calendar year from the county public
5 1 hospital or direct compensation in an amount greater than one
5 2 thousand five hundred dollars in a calendar year from a person
5 3 contracting for services with the hospital shall not be
5 4 eligible to serve as a trustee for that county public
5 5 hospital.
5 6 2. A person or spouse of a person who receives indirect
5 7 compensation from a person contracting for services with the
5 8 hospital in an amount greater than the amount specified by the
5 9 board of trustees shall not be eligible to serve as a trustee
5 10 for that county public hospital.
5 11 3. This section does not prohibit a licensed health care
5 12 practitioner from serving as a hospital trustee if the
5 13 practitioner's sole use of the county hospital is to provide
5 14 health care service to an individual with mental retardation
5 15 as defined in section 222.2.
5 16 Sec. 6. Section 347.11, Code 2007, is amended by striking
5 17 the section and inserting in lieu thereof the following:
5 18 347.11 ORGANIZATION == MEETINGS == QUORUM.
5 19 Hospital trustees shall qualify by taking the usual oath of
5 20 office as provided in chapter 63 and organize by the election
5 21 of a chairperson, a secretary, and a treasurer. The secretary
5 22 shall report to the county auditor and treasurer the names of
5 23 the chairperson, secretary, and treasurer of the board of
5 24 hospital trustees as soon as practicable after the
5 25 qualification of each. A board of hospital trustees shall
5 26 meet as necessary to adequately oversee the operation of the
5 27 hospital. Four trustees shall constitute a quorum necessary
5 28 for actions by the board of hospital trustees. The secretary
5 29 shall maintain a complete record of board meetings,
5 30 proceedings, and actions.
5 31 Sec. 7. Section 347.12, Code 2007, is amended to read as
5 32 follows:
5 33 347.12 ~~OFFICERS' DUTIES == PURCHASING REGULATIONS REVENUE~~
5 34 ~~COLLECTED == ACCOUNTING PRACTICES.~~
5 35 ~~The treasurer of the county hospital shall receive and~~
~~6 1 disburse all funds. Warrants shall be drawn by the secretary~~
~~6 2 and countersigned by the chairperson of the board after the~~
~~6 3 claim has been certified by the board. However, the board may~~
~~6 4 adopt purchasing regulations to govern the purchase of~~
~~6 5 specified goods and services without the prior certification~~
~~6 6 by the board. The purchasing regulations shall conform to~~
~~6 7 generally accepted practices followed by public purchasing~~
~~6 8 officers.~~
6 9 ~~The treasurer of the county hospital shall keep an accurate~~
~~6 10 account of all receipts and disbursements and shall register~~
~~6 11 all orders drawn and reported to the treasurer by the~~
~~6 12 secretary, showing the number, date, to whom drawn, the fund~~
~~6 13 upon which drawn, the purpose and amount.~~
6 14 ~~The secretary of the hospital board of trustees shall file~~
~~6 15 monthly on or before the thirtieth day of each month with such~~
~~6 16 board a complete statement of all receipts and disbursements~~
~~6 17 from all funds during the preceding month, and also the~~
~~6 18 balance remaining on hand in such funds at the close of the~~
~~6 19 period covered by said statement.~~
6 20 1. Before the fifteenth day of each month, the county
6 21 treasurer shall give notice to the chairperson of the board of
6 22 hospital trustees of the amount of revenue collected for each
6 23 fund of the hospital to the first day of that month and the
6 24 county treasurer shall pay the taxes to the treasurer of the
6 25 hospital as provided in section 331.552, subsection 29.
6 26 2. a. The hospital administrator, or the administrator's
6 27 designee, shall ensure that all accounts, funds, reports, and
6 28 financial statements of the county hospital conform to
6 29 generally accepted accounting principles as established by the
6 30 governmental accounting standards board.
6 31 b. The hospital administrator, or the administrator's
6 32 designee, shall file a report with the board of hospital
6 33 trustees on or before the thirtieth day of each month
6 34 containing a summary of all receipts and disbursements of the
6 35 hospital during the preceding month.
7 1 Sec. 8. Section 347.13, Code 2007, is amended by striking
7 2 the section and inserting in lieu thereof the following:
7 3 347.13 BOARD OF TRUSTEES == DUTIES.
7 4 A board of hospital trustees' duties shall include all of

7 5 the following:

7 6 1. Engage in all activities necessary to manage, control,
7 7 and govern the hospital unless otherwise prohibited under this
7 8 chapter.

7 9 2. Exercise all the rights and duties of hospital
7 10 trustees, including but not limited to authorizing the
7 11 delivery of any health care service, assisted or independent
7 12 living service, or other ancillary service.

7 13 3. Adopt bylaws and rules for its own guidance and for the
7 14 government of the hospital.

7 15 4. Exercise fiduciary duties in accordance with section
7 16 504.831, subsections 1 through 5.

7 17 5. Employ an administrator and fix the administrator's
7 18 compensation. The administrator shall have authority to
7 19 oversee the day-to-day operations of the hospital and its
7 20 employees.

7 21 6. Appoint and hire qualified medical staff and oversee
7 22 the medical care provided by the hospital.

7 23 7. Manage and control the hospital's funds in accordance
7 24 with chapter 540A. In addition to investments permitted under
7 25 section 12B.10, county hospital investments may include common
7 26 stocks.

7 27 8. Determine whether or not any applicant is indigent and
7 28 entitled to free treatment in the hospital, and fix the price
7 29 to be paid by other patients admitted to the hospital for care
7 30 and treatment.

7 31 9. Procure and pay premiums on any and all insurance
7 32 policies required for the prudent management of the hospital
7 33 including but not limited to public liability, professional
7 34 malpractice liability, workers' compensation, and vehicle
7 35 liability. Said insurance may include as additional insureds
8 1 members of the board of trustees and employees of the
8 2 hospital. This subsection applies to all county hospitals
8 3 whether organized under this chapter, chapter 347A, chapter
8 4 37, or otherwise established by law.

8 5 10. Certify levies for a tax in excess of any tax levy
8 6 limit to meet its obligations to pay the premium costs on tort
8 7 liability insurance, property insurance, workers' compensation
8 8 insurance, and any other insurance that may be necessary for
8 9 the prudent management and operation of the county public
8 10 hospital, the costs of a self-insurance program, the costs of
8 11 a local government risk pool, and amounts payable under any
8 12 insurance agreements to provide or procure such insurance,
8 13 self-insurance program, or local government risk pool.

8 14 11. Publish quarterly in each of the official newspapers
8 15 of the county as selected by the board of supervisors pursuant
8 16 to section 349.1 the schedule of bills allowed, and publish
8 17 annually in such newspapers the schedule of salaries paid by
8 18 job classification and category, but not by listing names of
8 19 individual employees. The names, addresses, salaries, and job
8 20 classification of employees paid in whole from a tax levy
8 21 shall be a public record and open to inspection at reasonable
8 22 times as designated by the board of trustees.

8 23 12. Fix the amount necessary for the improvement and
8 24 maintenance of the hospital and for support of ambulance
8 25 service during the ensuing fiscal year, and certify the amount
8 26 to the county auditor before March 15 of each year, subject to
8 27 any limitation in section 347.7.

8 28 Sec. 9. Section 347.14, Code 2007, is amended by striking
8 29 the section and inserting in lieu thereof the following:

8 30 347.14 BOARD OF TRUSTEES == POWERS.

8 31 The board of trustees may:

8 32 1. Purchase, condemn, or lease a site for such public
8 33 hospital and provide and equip suitable hospital buildings.

8 34 2. Cause plans and specifications to be made and adopted
8 35 for all hospital buildings, and advertise for bids, as
9 1 required by law for other county buildings, before making a
9 2 contract for the construction of a building.

9 3 3. Notwithstanding any provision of chapter 26 to the
9 4 contrary, enter into a design-build contract for construction
9 5 projects. The design-build contract shall be awarded through
9 6 a competitive selection process that utilizes, at a minimum,
9 7 contractor qualifications, quality, completion time, and cost
9 8 as award criteria. As used in this subsection, "design-build
9 9 contract" means a single contract providing for both design
9 10 services and construction services that may include
9 11 maintenance, operations, preconstruction, and other related
9 12 services.

9 13 4. Accept property by gift, devise, bequest, or otherwise.
9 14 If the board deems it advisable, the board may, at public
9 15 sale, sell or exchange any property so accepted upon a

9 16 concurring vote of a majority of all members of the board of
9 17 hospital trustees. The proceeds of such sale shall be applied
9 18 to the retirement of bonds issued and outstanding in
9 19 connection with the purchase of the property sold, repairs or
9 20 improvements to property owned by the hospital, or to purchase
9 21 or lease equipment.

9 22 5. Borrow moneys to be secured solely by hospital revenues
9 23 for the purposes of improvement, maintenance, or replacement
9 24 of the hospital or for hospital equipment.

9 25 6. Establish and maintain in connection with the hospital
9 26 a training school for nurses.

9 27 7. Establish a fund for depreciation as a separate fund.
9 28 Said funds may be invested in United States government bonds
9 29 and when so invested the accumulation of interest on the bonds
9 30 so purchased shall be used for the purposes of the
9 31 depreciation fund. Such an investment when so made shall
9 32 remain in the United States government bonds until such time
9 33 as in the judgment of the board of trustees it is deemed
9 34 advisable to use the funds for hospital purposes.

9 35 8. Operate a health care facility as defined in section
10 1 135C.1 in conjunction with the hospital.

10 2 9. Purchase, lease, equip, maintain, and operate an
10 3 ambulance or ambulances to provide necessary and sufficient
10 4 ambulance service or to contract for such vehicles, equipment,
10 5 maintenance, or service when such ambulance service is not
10 6 otherwise available.

10 7 10. a. Submit to the voters at a regular or special
10 8 election a proposition to sell or lease a county public
10 9 hospital for use as a private hospital or as a merged area
10 10 hospital under chapter 145A or to sell or lease a county
10 11 hospital in conjunction with the establishment of a merged
10 12 area hospital. The authorization of the board of hospital
10 13 trustees submitting the proposition may, but is not required
10 14 to, contain conditions which provide for maintaining hospital
10 15 care within the county, for the retention of county public
10 16 hospital employees and staff, and for the continuation of the
10 17 board of trustees for the purpose of carrying out provisions
10 18 of contracts. The property listed in subsection 4 may be
10 19 included in the proposition, but the proceeds from such
10 20 property shall be used for the purchase of equipment or for
10 21 the purpose of providing health care for residents of the
10 22 county. Proceeds from the sale or lease of the county
10 23 hospital or other assets of the board of trustees shall not be
10 24 used for the prepayment of health care services for residents
10 25 of the county with the purchaser or lessee of the county
10 26 hospital or to underwrite the sale or lease of the county
10 27 hospital.

10 28 b. The proposition submitted to the voters of the county
10 29 shall not be set forth at length, but it shall be in
10 30 substantially the following form:

10 31 "Shall the board of hospital trustees of
10 32 county, state of Iowa, be authorized to (state
10 33 authorization which may exclude the conditions) in accordance
10 34 with the terms of authorization approved at the meeting of
10 35 (cite date) of the board of hospital trustees?"

11 1 c. If the proposition is approved by a majority of the
11 2 total votes cast for and against the proposition at the
11 3 election, the board of hospital trustees shall proceed to
11 4 carry out the authorization granted.

11 5 11. In addition to section 21.5, subsection 1, the board
11 6 of hospital trustees by a vote of two-thirds of its members or
11 7 all of the members present at the meeting, may hold a closed
11 8 session to discuss marketing and pricing strategies or
11 9 proprietary information if its competitive position would be
11 10 harmed by public disclosure not required of potential or
11 11 actual competitors, and if no public purpose would be served
11 12 by such disclosure. Notwithstanding section 21.5, subsection
11 13 4, the minutes and a tape recording of the closed session
11 14 shall be available for public examination at that point in
11 15 time when the public disclosure would no longer harm the
11 16 hospital's competitive position. The board of trustees shall
11 17 otherwise comply with the requirements for closed sessions
11 18 under section 21.5, subsection 4.

11 19 12. In addition to section 21.5, subsection 1, the board
11 20 of hospital trustees by a vote of two-thirds of its members or
11 21 all of the members present at the meeting, may hold a closed
11 22 session to discuss patient quality and process improvement
11 23 initiatives. The board of trustees shall comply with the
11 24 requirements for closed sessions under section 21.5,
11 25 subsection 4.

11 26 13. Notwithstanding section 22.2, subsection 1, the

11 27 records of a county public hospital that may not be examined
11 28 or copied as of right include proprietary information, records
11 29 of customer names and accounts, records associated with
11 30 marketing or pricing strategies, preliminary working papers,
11 31 spreadsheet scenarios, and cost data, if the competitive
11 32 position of the county hospital would be harmed by public
11 33 disclosure not required of a potential or actual competitor,
11 34 and if no public purpose would be served by such disclosure.

11 35 A record not subject to examination or copying under this
12 1 subsection shall be available for public examination and
12 2 copying at that point in time when public disclosure would no
12 3 longer harm the competitive position of the hospital.

12 4 Sec. 10. Section 347.16, subsection 4, Code 2007, is
12 5 amended by striking the subsection.

12 6 Sec. 11. Section 347.19, Code 2007, is amended to read as
12 7 follows:

12 8 347.19 COMPENSATION == EXPENSES.

12 9 ~~No~~ A trustee shall ~~not~~ receive any compensation for
12 10 services performed under this chapter, but a trustee shall be
12 11 reimbursed for any cash expenditures actually made for
12 12 personal expenses incurred in the performance of duties. ~~An~~
~~12 13 itemized statement of such expenses, verified by the oath of~~
~~12 14 each such trustee, shall be filed with the secretary, and the~~
~~12 15 same shall only be allowed by an affirmative vote of all~~
~~12 16 trustees present at the meeting of the board.~~

12 17 Sec. 12. Section 392.6, unnumbered paragraph 9, Code 2007,
12 18 is amended to read as follows:

12 19 Boards of trustees of institutions provided for in this
12 20 section are granted all of the powers and duties necessary for
12 21 the management, control, and government of the institutions,
12 22 specifically including but not limited to any applicable
12 23 powers and duties granted boards of trustees under other
12 24 provisions of the Code relating to hospitals, nursing homes,
12 25 and custodial homes irrespective of the chapter of the Code
12 26 under which such institutions are established, organized,
12 27 operated, or maintained, unless such provisions are in
12 28 conflict with this section.

12 29 Sec. 13. Sections 347.18, 347.29, 347.30, and 347A.5, Code
12 30 2007, are repealed.

12 31 EXPLANATION

12 32 This bill makes changes to Code chapter 347 relating to
12 33 county hospitals.

12 34 The bill amends Code section 347.7, relating to county
12 35 hospital property tax levies, to include notice and public
13 1 hearing provisions required before hospital funds may be used
13 2 for enhancement of rural health services. These provisions
13 3 are currently applicable to Code section 347.7 by reference in
13 4 Code section 347.30. Code section 347.30 is repealed by the
13 5 bill.

13 6 The bill amends Code section 347.9 by moving the provisions
13 7 relating to conflicts of interest for county hospital trustees
13 8 to new Code section 347.9A. The bill removes trustee
13 9 eligibility restrictions based on indirect compensation
13 10 received from a county hospital or a person contracting for
13 11 services with the hospital. The conflict of interest
13 12 provisions are also amended to require the hospital board of
13 13 trustees to adopt a policy that defines a conflict of interest
13 14 based on the receipt of indirect compensation.

13 15 The bill amends Code section 347.11 by removing the
13 16 requirement that the secretary and treasurer of the board of
13 17 trustees file a surety bond with the chairperson of the board.

13 18 The bill amends Code section 347.12 by striking provisions
13 19 requiring the treasurer of the county hospital to receive and
13 20 disburse all funds, striking provisions requiring board
13 21 certification on payment of claims, striking the requirement
13 22 that the chairperson sign warrants drawn by the secretary of
13 23 the board, and striking provisions relating to the adoption of
13 24 regulations allowing certain purchases to be made without
13 25 prior certification by the board of trustees. The bill also
13 26 amends requirements related to the monthly financial report
13 27 submitted to the board of trustees. The bill directs the
13 28 hospital administrator, or the administrator's designee, to
13 29 ensure that all accounts, funds, reports, and financial
13 30 statements of the county hospital conform to generally
13 31 accepted accounting principles.

13 32 Current Code sections 347.13 and 347.14 contain provisions
13 33 relating to the powers and duties of the board of hospital
13 34 trustees. The Code sections are stricken and rewritten to
13 35 segment them into one Code section on the duties of the board
14 1 of trustees and one Code section on the powers of the board of
14 2 trustees. Some provisions of these Code sections were deleted

14 3 in their entirety and not rewritten into either of the new
14 4 Code sections. These include provisions in Code section
14 5 347.13 relating to bidding and contracting requirements
14 6 prescribed by the board of trustees for procurement of
14 7 hospital equipment and supplies, supervisory duties over the
14 8 hospital grounds and buildings, providing rooms for detention
14 9 and examination of certain persons, providing certain annual
14 10 financial statements to the county board of supervisors, the
14 11 requirement of voter approval of a proposition to sell or
14 12 lease certain sites and buildings, and a provision relating to
14 13 the leasing of former tuberculosis sanatorium facilities.

14 14 Provisions deleted in their entirety from Code section
14 15 347.14 and not rewritten into either of the new Code sections
14 16 include provisions relating to establishing facilities for
14 17 isolation and detention of persons subject to quarantine,
14 18 determining which hospital services are available to
14 19 nonresidents, naming the hospital, caring for persons
14 20 afflicted with tuberculosis, and operating a psychiatric
14 21 department in connection with the hospital.

14 22 The bill also amends Code section 347.13 by adding
14 23 provisions that require the trustees to exercise fiduciary
14 24 duties in accordance with the requirements for directors of a
14 25 nonprofit corporation, require trustees to control the
14 26 hospital's funds in accordance with the uniform management of
14 27 institutional funds Act, and limit county hospital investments
14 28 to those investments specified in Code section 12B.10 and
14 29 common stock.

14 30 The bill also amends Code section 347.14 by adding
14 31 provisions that allow a board of trustees to enter into a
14 32 design-build contract for construction projects using a
14 33 competitive selection process, that allow the board of
14 34 trustees to hold a closed session under certain specified
14 35 circumstances in addition to those circumstances listed in the
15 1 open meetings law, and that prevent certain hospital records
15 2 from being examined or copied if such records contain customer
15 3 information and proprietary information that would harm the
15 4 hospital's competitive position.

15 5 By operation of law, Code sections 347.13 and 347.14 apply
15 6 to the board of trustees of an area hospital in Code chapter
15 7 145A.

15 8 The bill amends Code section 347.16 by striking a provision
15 9 relating to the authority of a public hospital to provide care
15 10 and treatment to persons afflicted with tuberculosis.

15 11 The bill repeals Code sections 347.18 and 347A.5. These
15 12 Code sections prohibit discrimination against the
15 13 practitioners of any recognized school of medicine, allow a
15 14 patient to employ at the patient's expense any physician
15 15 selected by the patient, and allow the selected physician to
15 16 have exclusive charge over the treatment of the patient and to
15 17 determine the attending nurses.

15 18 The bill amends Code section 347.19, relating to trustee
15 19 compensation, by striking the requirement that an itemized
15 20 statement of expenses incurred by a trustee must be filed with
15 21 the secretary of the board, and that the statement of expenses
15 22 is subject to approval of the board.

15 23 The bill repeals Code section 347.29 relating to the use of
15 24 property received by gift, devise, or bequest and to the use
15 25 of the proceeds from the sale of such property. The bill also
15 26 repeals Code section 347.30, relating to notice and public
15 27 hearing requirements when selling or leasing certain real
15 28 property.

15 29 By operation of law, the changes made by the bill to Code
15 30 chapter 347 apply to area hospitals organized under Code
15 31 chapter 145A and may apply to hospitals or health care
15 32 facilities established under Code section 392.6.

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